

Council/Agency Meeting Held: _____		_____ City Clerk's Signature
Deferred/Continued to: _____		
<input type="checkbox"/> Approved	<input type="checkbox"/> Conditionally Approved	<input type="checkbox"/> Denied
Council Meeting Date:	8/15/2005	Department ID Number: ED 05-08

CITY OF HUNTINGTON BEACH REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

SUBMITTED BY: *Penelope Culbreth*
PENELOPE CULBRETH-GRAFT, CITY ADMINISTRATOR

PREPARED BY: *Robert F. Beardsley*
ROBERT F. BEARDSLEY, ACTING DIRECTOR OF ECONOMIC DEVELOPMENT

SUBJECT: **Approve Downtown Huntington Beach Business Association Improvement District 2004-2005 Annual Report, Adopt Resolution of Intention to Levy an Annual Assessment for Fiscal Year 2005-2006 and Schedule Public Hearing for September 6, 2005**

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CITY CLERK
CITY OF
HUNTINGTON BEACH, CA
2005 AUG - 4 A 8:45

Statement of Issue, Funding Source, Recommended Action, Alternative Action(s), Analysis, Environmental Status, Attachment(s)

Statement of Issue: On September 7, 2004 the City Council approved Ordinance No. 3661 to establish the Huntington Beach Downtown Business Improvement District (BID) as a method of marketing the downtown area. The Parking and Business Improvement Law of 1989 requires an Annual Report be filed for each fiscal year, a Resolution of Intention be passed to levy an assessment for the next fiscal year (2005-2006), and a public hearing date be set.

Funding Source: Not applicable.

Recommended Action: Motion to:

1. Approve the Huntington Beach Downtown Business Improvement District Annual Report for FY 2004-2005.
2. Adopt City Council Resolution No. 2005-53, a Resolution of Intention of the City of Huntington Beach to levy an assessment for the Huntington Beach Downtown Business Improvement District for fiscal year 2005-2006.
3. Direct the City Clerk to schedule a public hearing to be held on September 6, 2005 and send copies of the Resolution of Intention, BID Boundary Map, and assessment formula to each business to be assessed.

Alternative Action(s):

1. Return the 2004-2005 Annual Report of the Huntington Beach Downtown Business Improvement District to the Huntington Beach Downtown Business Association for additional information.
2. Deny the request to approve the Resolution of Intention.

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REQUEST FOR ACTION

MEETING DATE: 8/15/2005

DEPARTMENT ID NUMBER: ED 05-08

Analysis: In June 2002, downtown merchants approached the City of Huntington Beach about forming a new Business Improvement District in the downtown commercial area. On September 7, 2004 the City Council approved Ordinance No. 3661 to establish the Huntington Beach Downtown Business Improvement District (BID) as a method of marketing the downtown area.

Downtown businesses are assessed based on their size, location and business type. Assessments currently range from \$50 to \$1000 per annum. Funding decisions are made by a seven-member BID Advisory Board, which was selected by election from the businesses paying the assessments. The elected BID Advisory Board can modify the proposed budget categories. The attached Assessment Formula was modified by the Advisory Board to reduce the BID assessment for smaller hotels and motels located in the downtown area. State law requires activities benefit businesses located and operating in the area.

The Resolution of Intention sets the public protest hearing for September 6, 2005. At that time, the City Council will have a tally of the percentage of assessments protested and will hear additional public comments on the renewal of the Business Improvement District in the downtown commercial area. If the protests total less than 50% of the total amount to be collected, the City Council can approve the renewal of the BID. The City Council also has the option of reducing assessments or modifying the BID boundary area if public comments prompt adjustment.

Environmental Status: Not applicable.

Attachment(s):

City Clerk's Page Number	No.	Description
3	1.	Resolution of Intention to Renew Huntington Beach Downtown Business Improvement District
6	2.	Exhibit A – Huntington Beach Downtown BID Boundary Map Area
8	3.	Exhibit B – Huntington Beach Downtown Business Improvement District Annual Report Fiscal Year 2004-2005
12	4.	Exhibit C – Huntington Beach Downtown Business Improvement District Assessment Formula

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ATTACHMENT #1

RESOLUTION NO. 2005-53

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HUNTINGTON BEACH DECLARING THE CITY'S INTENTION TO LEVY AN
ANNUAL ASSESSMENT FOR FISCAL YEAR 2005-2006 WITHIN THE
HUNTINGTON BEACH DOWNTOWN BUSINESS IMPROVEMENT DISTRICT

WHEREAS, the California Legislature, in adopting the Parking and Business Improvement Area Law of 1989 (*Streets and Highways Code* §36500 et seq.) found that cities are authorized to levy assessments on businesses in order to promote economic revitalization and tourism, create jobs, attract new businesses and prevent erosion of business districts; and

The California Legislature found that cities are authorized to levy assessments on businesses which benefit from those improvements and activities; and

A sizeable majority of the downtown businesses within the City of Huntington Beach requested that the City Council commence proceedings under the Parking and Business Improvement Area Law of 1989 to establish a downtown business benefit area within the City of Huntington Beach and to levy a special assessment to promote tourism and tourist related events; and

The City Council formed a business improvement area, known as the Huntington Beach Downtown Business Improvement District (the "District"), by the passage of Ordinance No. 3661 on September 7, 2004. The time has come to continue the existence of the District for fiscal year 2005-06 by levying assessments on those businesses that benefit from the activities; and

The District's Advisory Board has prepared and filed with the City Clerk an "Annual Report/Operating Budget 2004-2005 Fiscal Year to Date" and "Proposed Budget for Fiscal Year 2005-2006" (collectively, "Annual Report"); and

NOW, THEREFORE, the City Council of the City of Huntington Beach does hereby resolve as follows:

SECTION 1. The City Council hereby approves the Annual Report filed by the Advisory Board in the City Clerk's office attached hereto as **Exhibit A** and incorporated herein by this reference, which includes a proposed budget for Fiscal Year 2005-2006 and a description of the improvements and activities to be provided for Fiscal Year 2005-2006.

SECTION 2. To levy and collect assessments within the District area for Fiscal Year 2005-2006 as per the assessment schedule listed in **Exhibit B** attached hereto and incorporated herein by this reference.

SECTION 3: The type or types of improvements and activities proposed to be funded by the levy of assessments on businesses within the business improvement area are specified in **Exhibit C**, attached hereto and incorporated herein by this reference. Further, the improvements, if any, to be acquired for the proposed business improvement area are specified in **Exhibit C**.

SECTION 4. A public hearing shall be held before the City Council on September 6, 2005, at 6:00 p.m., or as soon thereafter as this matter may be heard, in the Council Chambers of the City Hall, 2000 Main Street, Huntington Beach, California, at which time the Council will hear all interested

persons for or against levying of the assessment, and the furnishing of specified types of improvements or activities. Protests may be made orally or in writing; but, if written, shall be filed with the City Clerk at or before the time fixed for the hearing and contain sufficient documentation to verify business ownership and validate the particular protest. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularity or defect to which the objection is made. The City Council may waive any irregularity in the form or content of any written protest, and at the public hearing, may correct minor defects in the proceedings. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing set forth above. If written protests are received by the owners of businesses within the District, which will pay 50% or more of the total assessments to be levied, no further proceedings to levy the proposed assessment shall be taken for a period of one year from the date of the finding of a majority protest by the City Council. If the majority protest is only against the furnishing of a specified type or types of improvements or activity within the District, those types of improvements or activities shall be eliminated.

SECTION 5. The City Clerk is hereby directed to provide notice of the public hearing by causing the this resolution of intention to be published once in a newspaper of general circulation at least seven days before the public hearing.

SECTION 6. Further information regarding the proposed business improvement district may be obtained at the Huntington Beach City Hall, 2000 Main Street, Huntington Beach, California 92648; telephone (714) 536-5542; or from the Huntington Beach Conference and Visitors' Bureau, 301 Main Street, Suite 208, Huntington Beach, CA 92648, (714) 969-3492.

SECTION 7. The City Clerk shall mail a complete copy of this resolution of intention by first-class mail to each business owner in this area within seven days after the Council's adoption of this resolution.

SECTION 8. This resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the _____ day of _____, 2005.

Mayor

REVIEWED AND APPROVED:

Lynette Callahan
City Administrator

APPROVED AS TO FORM:

Kevin M. Smith
City Attorney
4/13/05 KCS/tdos

INITIATED AND APPROVED:

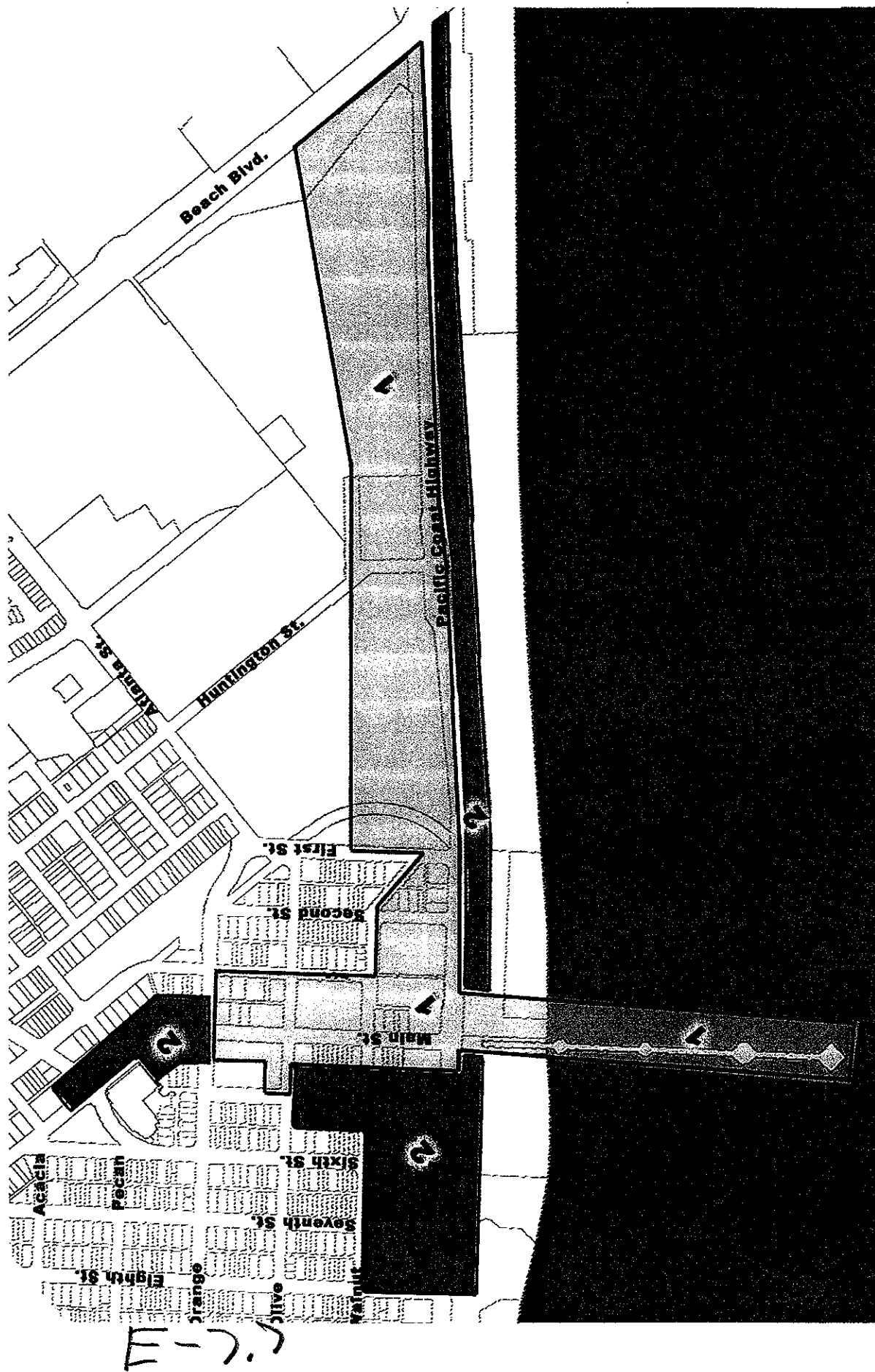
R. F. Beachley
Director of Economic Development
8/3/05

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ATTACHMENT #2



Huntington Beach Downtown Business Improvement District Map

10/18/18
10/18/18
10/18/18

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ATTACHMENT #3

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Huntington Beach Downtown Business Improvement District

Fiscal Year 2004-2005

Annual Report

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**Downtown Huntington Beach
Business Improvement District
Budget vs. Actual
January through December 2006**

	<u>Jan 2005</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Fees & Assessments	20,100	60,000		33.5%
Interest Income	0	200		0.0%
Total Income	<u>20,100</u>	<u>60,200</u>	<u>-40,100.00</u>	<u>33.39%</u>
Projects In Priority Order				
01 Brochure/Downtown Map		5,000	-5,000.00	0.0%
02 Halloween Promotion		10,000	-10,000.00	0.0%
02 Christmas Promotion		3,000	-3,000.00	0.0%
02 Welcome Back Promtion		2,000	-2,000.00	0.0%
03 Main Street - Tree Replacements	1,000	4,000	-3,000.00	25.0%
03 Improve Tourist Flow		0	0.00	0.0%
04 Directory Marquis		10,000	-10,000.00	0.0%
06 Downtown Street & Sidewalk Cleaning		10,000	-10,000.00	0.0%
07 Parking Improvements		0	0.00	0.0%
08 Develop Website		0	0.00	0.0%
10 Build Email Database/Bulliten Board		0	0.00	0.0%
11 Marketing/Educational Plan		6,000	-6,000.00	0.0%
Total Cost Of Projects	<u>1,000</u>	<u>50,000</u>	<u>-49,000.00</u>	<u>2.0%</u>
Gross Project Expenditures	<u>19,100</u>	<u>10,200</u>	<u>8,900.00</u>	<u>187.26%</u>
Expense				
Administrtrive Assistant	150	10,000	-9,850.00	1.5%
MISCELLANEOUS	123	200	-77.00	61.5%
Total Expense	<u>273</u>	<u>10,200</u>	<u>-9,927.00</u>	<u>2.68%</u>
Net Operating Balance	<u>18,827</u>	<u>0</u>	<u>18,827.00</u>	<u>100.0%</u>
Operating Balance	<u>18,827</u>	<u>0</u>	<u>18,827.00</u>	<u>100.0%</u>

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Balance Sheet

As of 9/30/05

Page 1

Acct	9/30/05 Balance
ASSETS	
Cash and Bank Accounts DownTown HB Business Assoc	19,827.49
TOTAL Cash and Bank Accounts	19,827.49
TOTAL ASSETS	19,827.49
LIABILITIES & EQUITY	
LIABILITIES	0.00
EQUITY	19,827.49
TOTAL LIABILITIES & EQUITY	19,827.49

Register Report

5/6/96 Through 6/7/05

Page 1

Date	Num	Description	Memo	Category	Clr	Amount
BALANCE 5/5/96						0.00
4/20/05		Opening Balance		[DownTown HB Business As...	R	0.00
4/20/05		DEPOSIT		DOWNTOWN HB BUS ASS...	R	20,100.00
5/11/05	101	Steve Grabowski	fictitious business name filing...	DOWNTOWN HB BUS ASS...	R	-72.00
5/11/05	102	Debbie Stock	locator map project, announ...	DOWNTOWN HB BUS ASS...		-150.00
5/11/05	103	The UPS Store	copy work: BiD mtg flyer	DOWNTOWN HB BUS ASS...	R	-9.70
6/7/05		Service Charge	23.71, 17.10 (May 4th)	DOWNTOWN HB BUS ASS...	R	-40.81
TOTAL 5/6/96 - 6/7/05						19,827.49
BALANCE 6/7/05						19,827.49
TOTAL INFLOWS						20,100.00
TOTAL OUTFLOWS						-272.51
NET TOTAL						19,827.49

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ATTACHMENT #4

Downtown Business Improvement District Assessment Formula

Benefit Zone 1

Retail Businesses	\$250	Less than 1,000 sq. ft.
	\$500	1,000 sq. ft. to 5,000 sq. ft.
	\$1,000	5,000 sq. ft. or more
Restaurants	\$250	Less than 1,000 sq. ft.
	\$500	1,000 sq. ft. to 5,000 sq. ft.
	\$1,000	5,000 sq. ft. or more
Hotels	\$150	Under 20 rooms
	\$300	21-50 rooms
	\$500	51+ rooms
Services/Office*	\$200/\$100 if on 2 nd floor or higher	
Real Estate Individual Licensee	\$50	
Nail/Hair/Skin Stylist or Cart	\$50	
Banks	\$500	

Benefit Zone 2

Retail Businesses	\$250
Restaurants	\$250
Hotels	\$500
Service/Office*	\$100/\$50 if on 2 nd floor or higher
Real Estate Individual Licensee	\$50
Nail/Hair/Skin Stylist	\$25
Banks	\$500

* Business Licenses for Apartments Excluded

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